

## **GOVERNMENT OF ANDHRA PRADESH**

### **ABSTRACT**

Industrial Promotion – Enhancement of Investment Limit to Rs.350 Crores for availing 100% Gross VAT & CST/SGST reimbursement for a period of 10 years by M/s. Mahindra & Mahindra Ltd for their proposed Tractor Manufacturing facility at Zaheerabad, Medak District under Investment Promotion Policy (IIPP) 2010-15 – Amendment - orders - Issued.

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### **INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No. 151**

**Dated:30-11-2013**

Read the following:

1. G.O.Ms.No.26, Ind & Com (IP) Dept., Dt: 23.02.2011.
2. G.O.Ms.No.14, Ind & Com (IP) Dept., Dt: 10.01.2012.
3. From the M/s. Mahindra & Mahindra Limited Letter dated: 31.07.2012.
4. The State Investment Promotion Committee Meeting held on Dt: 03.01.2013.
5. The State Investment Promotion Board Meeting held on Dt: 26.04.2013.

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### **ORDER:-**

M/s Mahindra & Mahindra Ltd proposed to set up a Tractor manufacturing facility at Zaheerabad Medak District with an investment over Rs.276.00 Crore over a period of 5 years with the installed capacity of one lakh Tractors per annum and to provide employment to 1600 persons. Government have extended certain incentives to M/s.Mahindra and Mahindra, Zaheerabad, Medak District vide G.O.Ms.No.26, Inds. & Com. (IP) Department as per the decision of the State Investment Promotion Board dt: 23.02.2011.

2. Subsequently, the company revised the project by increasing the Investment from Rs.276.00 Crore to Rs.350.00 Crore and requested the Government to issue an amendment to the G.O.Ms.No.26 dt. 23.03.2011 to that extent.

3. The issue was again placed in the State Investment Promotion Board meeting held on 31.12.2011 and agreed to revise the investment from Rs.276.00 Crore to Rs.350.00 Crore and issued orders vide G.O.Ms.No. 14, Inds. & Com. (IP) Department dt. 10.01.2012.

4. In the reference 3<sup>rd</sup> read above, M/s. Mahindra and Mahindra, Zaheerabad, Medak district again represented that at the time of negotiating the incentives they were informed that to qualify for mega project status a minimum of Rs. 250.00 Crore is to be invested within 6 months from the Date of Commencement of Production. But as per the guidelines issued by G.O.Ms.No.42, dt. 5.5.2011 minimum of Rs.250.00 Crore investment within six months is only applicable to the industries assisted by financial institutions. As the project is self financed, the company is requesting to make an amendment to allow them to make minimum of Rs. 250.00 Crore investment within six months from Date of Commencement of Commercial Production on par with financed units.

5. In the reference 4<sup>th</sup> read above, the issue was placed in State Investment Promotion Committee (SIPC) meeting held on 03.01.2013 and recommended to relax the relevant guidelines to allow the Company to make minimum of Rs.250 Crore investment from internal accruals within 6 months of the commercial production on par with institutionally financed units.

6. In the reference 5<sup>th</sup> read above the State Investment Promotion Board (SIPB) in its meeting held on 26.04.2013 reviewed the facts of the case and considering the strategic nature of the investment in the Automobile Sector, and considering the track record and credibility of the Mahindra & Mahindra group approved the proposal to allow them to make Rs. 250.00 Crore investment from internal company accruals within six months of commencement of production.

7. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby issue the following amendment to the G.O.Ms.No. 14, Ind & Com (IP) Dept., dt. 10.01.2012.

AMENDMENT

In the said order, in paragraph 8, for the expression "Reimbursement of 100% Gross VAT & CST for a period of 10 years from the date of commencement of commercial production (or) up to realization of the enhanced investment of Rs.350 Crores, which ever is earlier", the expression "Reimbursement of 100% Gross VAT & CST for a period of 10 years from the date of commencement of commercial production (or) up to realization of the investment of Rs.250 Crores from internal company accruals within six months of commencement of production on par with financed units, whichever is earlier is substituted.

8. The Commissioner of Industries, A.P., Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K. PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad.

M/s. Mahindra & Mahindra Ltd. (through the Commissioner of Industries, A.P., Hyderabad)

The District Collector, Medak District.

Copy to

The Accountant General, Andhra Pradesh, Hyderabad

The Finance (Exp. I&C) Department.

The Energy Department.

The Chairman & Managing Director, APIIC, Hyderabad

The Revenue (CT) Department.

The Law (J) Department.

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APCPDC Ltd., Hyderabad

The GM, DIC, Medak District through the Commissioner of Industries, A.P. Hyderabad.

P.S. to Minister (Major Industries)/ P.S. to Spl. Chief Secretary, Revenue Dept./P.S. to Prl. Secy. to Govt., Rev.(CT) Dept./P.S. to Prl. Secy. to CM/P.S. to Spl.CS, Energy Dept./P.S. to Prl. Secy. & CIP/P.S. to Secretary to Govt. (Legal Affairs).

SC/SF

//Forwarded:: By:: Order//

**SECTION OFFICER**